

EFFECTS OF ORGANIZATIONAL MERGER ON EMPLOYEES' PSYCHOLOGICAL HEALTH AND WELL-BEING

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Aim

The study was conducted as a part of the PSYRES-project, in which the effects of restructuring on employees' work-related and general health were investigated in four European countries. The Finnish part of the study concentrated on forest industry sector, which has undergone several changes during the last 15 years and a very intensive period of changes during the past 2 years.

The research questions

1. Does a perceived change (improved or worsened situation) during organizational merger have an effect on employees' work-related well-being?
2. Do job characteristics or personal and organizational resources or social relations moderate the relationship between perceived change and work-related well-being?
3. Do job characteristics, personal and organizational resources or social relations mediate the relationship between organizational change and work-related well-being?

The data were derived from *Still Working study*. In 1996, prior to the organizational merger (Time 1 (T1), response rate 63%), a company-wide survey was conducted in a Finnish enterprise operating in several countries. After this the enterprise merged with a Swedish enterprise of equal size. The process of merger initiated at the beginning 1999. The merger did not cause any dramatic changes like large-scale personnel dismissals but many employees were affected by changes to some extent. In 2000 (Time 2 (T2), response rate 61%), the second survey was conducted in the new globally operating company created in the merger. This second survey was carried out within two years of the beginning of the merger, and it provided information on how the employees had experienced the organizational change. (N=1086)

Measures

Perception of organizational change was assessed (T2) by asking how the employees perceived the change in their own standing at work (1=improved, 2=no change, 3=declined).

Work-related well-being: Exhaustion and Cynicism were measured using the scales of MBI (Schaufeli & al. 1996), work stress using a single-item measure from the Work Stress Questionnaire (Elo & al. 2003) and work ability using the Work ability index (Tuomi & al. 1998). In addition, a number of measures on job characteristics, personal and organizational resources and social relations were applied. All the factors were assessed both T1 and T2.

Analyses

The associations between perceived organizational change and work-related well-being were analyzed in longitudinal setting by applying ancova (controlled for age, gender, education and outcome at baseline). The moderations were examined using regression analysis and calculating interactions. The mediations were studied by series of regression analysis.

Results The proportion of workers who regarded the change in their job position as positive during the merger was higher (16%) than the proportion who reported negative change (13%). Employees who perceived their own job position as having worsened due to merger (n=505) suffered more from exhaustion (F=112.9, p<.0001), and cynicism (F=226.7, p<.0001), had more stress symptoms (F=61.6, p<.0001) and had poorer work ability (F=502, p<.0001) compared to the employees who perceived their job position as having improved (n=606) due to a merger (controlled for age, gender, education, outcome baseline).

From 1996 (T1) to 2000 (T2) the work-related well-being deteriorated among the employees who perceived their position as worsened during the merger while the development of work-related well-being was positive among the employees who perceived felt that their position had improved during the merger.

The study of moderations showed that sense of coherence and sense of competence were resources which protected employees from weakened well-being even if the employees' job position declined.

The mediating factors linking change in one's one job position and well-being after merger were task autonomy, role clarity, support from organization and supervisor, participation in decision making and sense of competence.

Conclusions:

The employees who perceive the changes during an organizational merger as negative are in risk of negative psychological health effects. The positive experience of the change due to merged is related to positive development in

psychological health. Sense of coherence and sense of competence are personal resources which protect employees from the negative effects of merger. Support from organization and supervisor are central mediating factors linking the change in one's own job position during merger with later well-being.

References

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